

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY SAFARI SHAREHOLDERS

- If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Shares, please forward this Circular, together with the attached form of proxy (*blue*), to the purchaser to whom, or the CSDP or Broker or agent through whom the disposal was effected.
- Shareholders who hold Dematerialised Shares through a CSDP or Broker who wish to attend the General Meeting must request their CSDP or Broker to provide them with a letter of representation to attend the General Meeting or must instruct their CSDP or Broker to vote on their behalf in terms of their respective agreements with their CSDP or Broker.
- Shareholders of Safari are referred to page 2 of this Circular, which sets out the action required by them in respect of the Specific Issue set out in this Circular.
- The Company does not accept any responsibility and will not be held liable for any failure on the part of the CSDP or Broker of any holder of Dematerialised Shares to notify such Shareholder of the action required of them in respect of the Specific Issue set out in this Circular.



SAFARI INVESTMENTS RSA LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2000/015002/06)

Share code: SAR ISIN number: ZAE000188280

(Approved as a REIT by the JSE)

("Safari" or "the Company")

(Approved as a REIT by the JSE)

CIRCULAR TO SAFARI SHAREHOLDERS

Regarding:

- the specific issues of shares for cash to facilitate a capital raise;
- the granting of authority to issue shares in terms of section 41(3) of the Companies Act; and incorporating;
- the notice of General Meeting; and
- a form of proxy (*blue*), only for use by Certificated Shareholders and Dematerialised Shareholders with "Own-name Registration".

Corporate Advisor and Sponsor



PSG CAPITAL

Reporting Accountants

Deloitte.

Date of issue: 7 June 2017

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Safari and the offices of PSG Capital at their respective addresses set out in the Corporate information and advisors section of this Circular from 7 June 2017 until 7 July 2017 (*both days inclusive*). This Circular will also be available on the Company's website at www.safari-investments.co.za from 7 June 2017.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this Corporate information and advisors section.

Registered office and postal address

420 Friesland Lane
Lynnwood
Pretoria
0081

Company Secretary

Dirk Engelbrecht
420 Friesland Lane
Lynnwood
Pretoria
0081

Date and place of incorporation

7 July 2000, South Africa

Corporate Advisor and Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

and at

1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Reporting Accountants

Deloitte & Touche
Riverwalk Office Park
Block B
41 Matroosberg Road
Ashlea Gardens
Pretoria
0081

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to the following action required by Safari Shareholders.

Please take careful note of the following provisions regarding the action required by Safari Shareholders.

THE GENERAL MEETING

The implementation of the Specific Issue is subject to, *inter alia*, Safari Shareholders passing the requisite resolutions at a general meeting of Safari Shareholders to be held at 10:00 on Friday, 7 July 2017 at Menlyn Boutique Hotel, 209 Tugela Road, Ashlea Gardens, Pretoria, 0081.

A notice convening the General Meeting is attached hereto and forms part of this Circular.

1. If you hold Dematerialised Shares:

1.1. Own-name Registration

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Wednesday, 5 July 2017, provided that any form of proxy not delivered to the Transfer Secretaries by this time may be handed to the Chairman of the General Meeting prior to the commencement of the General Meeting, at any time before the appointed proxy exercises any shareholder rights at the General Meeting.

1.2. Other than Own-name Registration

If your CSDP or Broker does not contact you, you are advised to contact your CSDP or Broker and provide them with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker. You must **not** complete the attached form of proxy (*blue*). In accordance with the custody agreement between you and your CSDP or Broker you must advise your CSDP or Broker timeously if you wish to attend, or be represented at the General Meeting. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at the General Meeting.

2. If you hold Certificated Shares

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, (PO Box 61051, Johannesburg, 2107) by no later than 10:00 on Wednesday, 5 July 2017, provided that any form of proxy not delivered to the Transfer Secretaries by this time may be handed to the Chairman of the General Meeting prior to the commencement of the General Meeting, at any time before the appointed proxy exercises any shareholder rights at the General Meeting.

Safari does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.

CONFLICT OF INTERESTS

As indicated in this Circular, PSG Capital fulfils the functions of Corporate Advisor and Sponsor to Safari.

It is PSG Capital's opinion, that the performance of these functions do not represent a conflict of interests for PSG Capital, impair PSG Capital's independence from Safari or impair PSG Capital's objectivity in its professional dealings with Safari or in relation to the private placement.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this Salient Dates and Times section.

2017

Record date to determine which Shareholders are eligible to receive the Circular	Friday, 2 June
Circular containing notice of General Meeting and form of proxy (<i>blue</i>) posted to Shareholders and announced on SENS on	Wednesday, 7 June
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday 27 June
Record date to be eligible to vote at the General Meeting	Friday, 30 June
Last day to lodge forms of proxies in respect of the General Meeting by 10:00 on	Wednesday, 5 July
General Meeting of Safari Shareholders to be held at 10:00 on	Friday, 7 July
Results of the General Meeting released on SENS on	Friday, 7 July

Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS. All times are South African standard times.
2. Safari Shareholders are referred to page 2 of this Circular for information on the action required to be taken by them.
3. If the General Meeting is adjourned or postponed, forms of proxy (*blue*) submitted in respect of the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“Board” or “Directors”	the board of directors of Safari set out on page 12 of this Circular;
“Broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“cents”	South African cents;
“Certificated Shareholders”	Safari Shareholders who hold Certificated Shares;
“Certificated Shares”	Safari Shares which have not been Dematerialised, title to which is represented by a share certificate or other Document of Title;
“CIPC”	the Companies and Intellectual Property Commission established pursuant to section 185 of the Companies Act;
“Circular”	this circular dated Wednesday, 7 June 2017, incorporating annexures, the notice of General Meeting and a form of proxy (<i>blue</i>) and distributed to Safari Shareholders;
“Companies Act”	the Companies Act No. 71 of 2008, as amended and including the Companies Regulations, 2011;
“Company” or “Safari” or “Group”	Safari Investments RSA Limited, registration number 2000/015002/06, a public company with limited liability duly incorporated under the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act, with whom a beneficial holder of Safari Shares holds a Dematerialised Share account;
“Dea-Ru”	Dea-Ru Proprietary Limited, registration number 2004/018276/07, a private company duly incorporated under the laws of South Africa;
“Dematerialise”	the process whereby share certificates or other physical Documents of Title are replaced with electronic records evidencing ownership of shares for the purposes of Strate;
“Dematerialised own-name Shareholders”	Safari Shareholders who hold Dematerialised Shares and who have instructed their CSDP to hold their Safari Shares in their own name on the sub-register;
“Dematerialised Shareholders”	Safari Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Safari Shares which have been Dematerialised and incorporated into the Strate system;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Safari Shares in question acceptable to the Board;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“General Meeting”	the general meeting of Safari Shareholders to be held at Menlyn Boutique Hotel, 209 Tugela Rd, Ashlea Gardens, Pretoria on Friday, 7 July 2017 at 10:00, convened in terms of the notice of general meeting attached to, and forming part of, this Circular;
“Grindrod”	Grindrod Asset Management Proprietary Limited, registration number 2004/024647/07, a subsidiary of Grindrod Limited a private company with limited liability duly incorporated under the laws of South Africa, a non-public shareholder, the holder of 14 690 000 Shares at the Last Practicable Date;
“Grindrod Subscription”	the subscription by Grindrod for 21 052 632 Shares at a subscription price of R7,60, dated 19 October 2016;
“JIBAR”	Johannesburg Interbank Agreed Rate;
“JSE”	the exchange operated by the JSE Limited, registration number 2005/022939/06, a public company with limited liability incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, being 2 June 2017;
“MOI”	the memorandum of incorporation of the Company;
“Own-name Registration”	the registration of Safari Shareholders who hold Safari Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Safari Shareholder;

“Prime”	means the publicly quoted rate (per cent, per annum) from time to time charged by Absa Bank for similar amounts on unsecured overdraft to its prime customers in good standing in the private sector, as certified by any manager of that bank whose appointment it will not be necessary to prove, calculated on a daily basis and compounded monthly in arrears;
“PSG Capital”	PSG Capital Proprietary Limited, registration number 2006/015817/07, a private company with limited liability duly incorporated under the laws of South Africa, being the corporate advisor and sponsor to Safari;
“Rand” or “R”	South African Rand;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Safari Hold”	Safari Hold Proprietary Limited, registration number 1983/012478/07, a private company whose ordinary shares are held by the MRC Trust and the Francois Marais Trust, with limited liability duly incorporated under the laws of South Africa, and an associate of Mr FJJ Marais, the holder of 8 098 001 Shares at the Last Practicable Date;
“Safari Hold Subscription”	the subscription by Safari Hold for 657 895 Shares at a subscription price of R7,60, dated 19 October 2016;
“Safari Shareholders” or “Shareholders”	holders of Safari Shares, which includes Certificated Shareholders, Dematerialised Shareholders and Dematerialised Own-name Shareholders;
“Safari Shares” or “Shares”	ordinary shares of no par value in the issued share capital of the Company;
“Sanlam”	Sanlam Capital Partners Proprietary Limited, registration number 2016/348938/07, a private company duly incorporated under the laws of South Africa;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Southern Palace”	Southern Palace Capital Proprietary Limited, a 75% subsidiary of Southern Palace Group of Companies Proprietary Limited, registration number 2006/348938/07, a private company duly incorporated under the laws of South Africa, with the directors being Mr L Tseki and Mr H van Loggerenberg;
“Southern Palace Subscription”	the subscription by Southern Palace for 66 000 000 Shares at a subscription price of R7,60, dated 16 November 2016;
“Southern Palace Subscription Shares”	66 000 000 Shares;
“SP Loan”	the loan granted to Southern Palace by Sanlam for the Southern Palace Subscription on the terms more fully set out in paragraph 4.5.2;
“Specific Issue”	the issue of the Specific Issue Shares to Southern Palace, Grindrod, Safari Hold and WDBH at an issue price of R7,60 (seven Rand and sixty cents) per Safari Share, being a 4,69% premium to the 30-day VWAP of Safari Shares on the JSE as at 18 October 2016 and a premium of 2,31% to the 30-day VWAP of Safari Shares on the JSE as at 16 November 2016;
“Specific Issue Shares”	99 552 633 (ninety-nine million five hundred and fifty-two thousand six hundred and thirty-three) ordinary shares in the authorised share capital of the Company to be issued by the Company;
“Stanlib”	Stanlib Asset Management Limited, a wholly owned subsidiary of Liberty Holdings Limited, acting on behalf of its clients, registration number 1969/002753/06, a public company with limited liability duly incorporated under the laws of South Africa, the holder of 22 980 239 Shares at the Last Practicable Date;
“Stanlib Subscription”	the subscription by Stanlib for 5 263 158 Shares at a subscription price of R7,60, dated 19 October 2016;
“Strate”	Strate Proprietary Limited, registration number 1998/022242/07, a private company with limited liability duly incorporated under the laws of South Africa and which is a registered central securities depository responsible for the electronic custody and settlement system used by the JSE;
“Subscribers”	collectively, Southern Palace, Stanlib, Grindrod, WDBH and Safari Hold;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a limited liability private company incorporated in accordance with the laws of South Africa;
“VAT”	value added tax as defined in the Value Added Tax Act, 1991, as amended;
“VWAP”	the volume weighted average traded price;
“WDBH”	WDB Investment Holdings Proprietary Limited, registration number 1996/017647/07, a private company with limited liability duly incorporated under the laws of South Africa and a wholly-owned subsidiary of WDB Trust, a non-profit organisation with 27 000 beneficiaries, the directors being Faith Nondumiso Khanyile, Tania Slabbert, Daphne Mashile-Nkosi, Joy-Marie Lawrence, Neo Violet Mokhesi and Thandie Sylvia Mashego; and
“WDBH Subscription”	the subscription by WDBH for 6 578 948 Shares at a subscription price of R7,60, the terms of which are more fully set out in paragraph 4.4, dated 19 October 2016.



SAFARI INVESTMENTS RSA LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2000/015002/06)
Share code: SAR ISIN number: ZAE000188280
(Approved as a REIT by the JSE)
("Safari" or "the Company")
Approved as a REIT by the JSE)

Directors

Executive

FJJ Marais (*Chief Executive Officer*)

WL Venter (*Financial Director*)

K Pashiou (*Executive Director*)

Non-executive

JP Snyman* (*Chairman*)

FN Khanyile*

SJ Kruger# (*alternate*)

M Minnaar*

AE Wentzel* (*Lead independent*)

* *Independent*

Non-independent

CIRCULAR TO SAFARI SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1 Shareholders are referred to the announcement released on SENS on 16 November 2016 wherein the Company announced that it had signed a subscription agreement with Southern Palace to issue 66 million Shares in terms of a specific issue of shares for cash.
- 1.2 In addition, the Company announced on 19 October 2016 and 17 November 2016 that it had signed subscription agreements with Grindrod, Safari Hold, Stanlib and WDBH to issue in aggregate 33 552 633 Shares in terms of a specific authority to issue shares for cash.
- 1.3 The Specific Issue is subject to approval by Shareholders.
- 1.4 Safari is proposing to convene a general meeting of its Shareholders for the purpose of considering and, if deemed fit, approving the necessary resolutions to issue such number of ordinary shares in order to facilitate the Specific Issue.
- 1.5 The purpose of the Circular is to provide Shareholders with information relating to the Specific Issue and to convene the General Meeting.

2. RATIONALE FOR THE SPECIFIC ISSUE

- 2.1 Safari is built on a well-established business model with a successful history and track record. Safari was incorporated on 7 July 2000 by its founding shareholders. The Company has in the past 12 years managed to establish a sought-after retail portfolio, focused on high growth underdeveloped urban areas. The main focus of the Company is to invest into quality income-generating properties including vacant land with development potential, as well as new property ventures under development in both South Africa and internationally.
- 2.2 Safari offers an exceptional long-term sustainable income-producing portfolio, as well as an outstanding opportunity to enter the highly desirable retail property market in high growth areas, including townships. The Company serves as a platform for smaller investors to make an investment in quality retail property assets. The Company's development arm covers greenfields developments of land into retail centres and brownfields development through refurbishment, upgrade or other improvement to existing retail facilities with a view of becoming dominant in its catchment areas.

- 2.3 Since listing, the Company's property portfolio has grown from 124 925 m² (total build area) valued at R1,276 billion to 182 267 m² (total build area) with a value of R2,4 billion at 30 September 2016. The directors have elected for Safari to issue the Shares in terms of the Specific Issue in order to raise R756 million in cash.
- 2.4 As at the Last Practicable Date, Stanlib and Grindrod are non-public shareholders as they each hold 10% or more of the total Safari Shares in issue. Safari Hold is a non-public shareholder as it is an associate of Mr FJJ Marais, and in terms of the JSE Listings Requirements is a related party.
- 2.5 As at the Last Practicable Date WDBH was a public shareholder and a non-related party to Safari. The subscription price of the WDBH Subscription was at a premium to the 30 day VWAP on the date of signature, therefore not requiring the inclusion on a fairness opinion in terms of the JSE Listings Requirements.
- 2.6 The Specific Issue was not underwritten.
- 2.7 The proceeds of the Specific Issue will be used to settle existing bond debt. This debt was incurred to significantly expand the property portfolio in order to establish the properties as dominant in the market. In addition, the proceeds will enable Safari to continue further expansion of the portfolio into existing and new markets.
- 2.8 Any return of Pledged Units to Safari as contemplated in paragraph 4.5.2.6 will be subject to shareholder approval at that point in time in compliance with the Companies Act and the JSE Listings Requirements as they pertain to a share repurchase, to the extent required.

3. THE ISSUE OF SHARES FOR CASH

- 3.1 The Specific Issue will consist of a total number of 99 552 633 Shares to be issued at a price of R7,60 per Share. The total subscription price will be for an amount of R756 600 011.
- 3.2 The issue of the Specific Issue Shares represents a 4,69% premium to the 30-day VWAP of Safari Shares on the JSE as at 18 October 2016 and a premium of 2,31% to the 30-day VWAP of Safari Shares on the JSE as at 16 November 2016.

4. THE SUBSCRIPTION AGREEMENTS

- 4.1 In terms of the Safari Hold Subscription, Safari Hold will subscribe for 657 895 Safari Shares at a price of R7,60 for a total subscription price of R5 000 005. The outstanding suspensive conditions to the Safari Hold Subscription, which are to be fulfilled by no later than 31 July 2017, are:
 - 4.1.1 the approval by Safari Shareholders of the Safari Hold Subscription;
 - 4.1.2 Safari Hold making payment of R5 000 005, being the subscription price, into the designated bank account of Safari; and
 - 4.1.3 the JSE having listed the Safari Shares.
- 4.2 In terms of the Stanlib Subscription, Stanlib will subscribe for 5 263 158 Safari Shares at a price of R7,60 for a total subscription price of R40 000 001. The outstanding suspensive conditions to the Stanlib Subscription, which are to be fulfilled by no later than 31 July 2017, are:
 - 4.2.1 the approval by Safari Shareholders of the Stanlib Subscription;
 - 4.2.2 Stanlib making payment of R40 000 001, being the subscription price, into the designated bank account of Safari; and
 - 4.2.3 the JSE having listed the Safari Shares.
- 4.3 In terms of the Grindrod Subscription, Grindrod will subscribe for 21 052 632 Safari Shares at a price of R7,60 for a total subscription price of R160 000 003. The outstanding suspensive conditions to the Grindrod Subscription, which are to be fulfilled by no later than 31 July 2017, are:
 - 4.3.1 the approval by Safari Shareholders of the Grindrod Subscription;
 - 4.3.2 Grindrod making payment of R160 000 003, being the subscription price into the designated bank account of Safari; and
 - 4.3.3 the JSE having listed the Safari Shares.

- 4.4 In terms of the WDBH Subscription, WDBH will subscribe for 6 578 948 Safari Shares at a price of R7,60 for a total subscription price of R50 000 005.
- 4.4.1 WDBH will settle the subscription price by way of a vendor loan from the Company to WDBH. The salient terms of the vendor loan are:
- 4.4.1.1 7-year loan, which outstanding amount thereafter to be settled by way of a cash payment or refinancing of the loan;
- 4.4.1.2 the loan will be repaid by instalments equal to the full dividend declared on WDBH's total shareholding in Safari;
- 4.4.1.3 interest rate of Prime plus 0,5%;
- 4.4.1.4 WDBH to provide Safari with 13 923 314 Safari Shares as security against the vendor loan;
- 4.4.1.5 WDBH shall not be entitled to sell any Shares in Safari until such time as the vendor loan is repaid in full;
- 4.4.1.6 WDBH may refinance the vendor loan after 36 months and settle the full outstanding amount to Safari. Safari will have the option to meet any refinancing terms; and
- 4.4.1.7 Safari and WDBH will enter into a vendor finance agreement on the above terms should the resolution approving the specific issue to WDBH be approved by Shareholders.
- 4.4.2 The outstanding suspensive conditions to the WDBH Subscription are:
- 4.4.2.1 the approval by Safari Shareholders of the WDBH Subscription;
- 4.4.2.2 the JSE having listed the Safari Shares.
- 4.5 In terms of the Southern Palace Subscription, Southern Palace will subscribe for a total of 66 million Safari Shares for cash at a subscription price of R7,60, for a subscription amount of R501 600 000.
- 4.5.1 The outstanding suspensive conditions to the Southern Palace Subscription are:
- 4.5.1.1 the approval by Safari Shareholders of the Safari Hold Subscription;
- 4.5.1.2 Southern Palace securing funding to pay for the subscription amount through a loan financing arrangement from a financial institution on the terms set out in paragraph 4.5.2 below; and
- 4.5.1.3 all regulatory approvals including, *inter alia*, those required in terms of the Listings Requirements of the JSE, the Competition Authorities and the Companies Act, having been obtained.
- 4.5.2 For purposes of securing repayment of the SP Loan, Southern Palace will, amongst others, cede and pledge to and in favour of the financial institution, the Southern Palace Subscription Shares funded by the SP Loan together with all distribution rights attached to them until the Loan has been repaid in full.
- 4.5.2.1 Safari has agreed to provide an interest guarantee, whereby Safari guarantees the interest payments to be made by the Southern Palace to the financial institution on the payment dates as stipulated in the SP Loan agreement ("Interest Guarantee") and the following interest rates shall apply, calculated from date of first disbursement:
- SP Loan A:
- | | |
|----------------|---|
| Amount: | R225 000 000 (two hundred and twenty five million Rand) |
| Term: | 36 months |
| Interest rate: | Fixed 3-year rate plus 250 bps |
- SP Loan B:
- | | |
|----------------|--|
| Amount: | R230 000 000 (two hundred and thirty million Rand) |
| Term: | 36 months |
| Interest rate: | Fixed 3-year rate plus 300 bps |
- 4.5.2.2 Repayment terms shall be interest only payable semi-annually in arrears at the end of the month in which Safari pays distributions with a final repayment of any outstanding capital and interest at the end of the term. Any interest accrual in excess of the Safari distribution shall be capitalised within the limits of the SP Loan amounts. Any interest accrual in excess of the approved interest

rollup shall be serviced by Safari and Southern Palace warrants that it will repay Safari such excess payments made to the financial institution.

- 4.5.2.3 Safari agrees to provide a capital guarantee whereby Safari guarantees the capital repayments of the SP Loan amounting up to R250 000 000 (two hundred and fifty million Rand) borrowed by Southern Palace should Southern Palace default on its capital repayment commitments as agreed to in terms of the SP Loan (“Capital Guarantee”).
- 4.5.2.4 Southern Palace will at commencement date of the SP Loan pay R50 000 000 (fifty million Rand) to the financial institution as an equity contribution to the total SP Loan amount.
- 4.5.2.5 Southern Palace agrees to pay to Safari all costs related to the provision of the Interest Guarantee and the Capital Guarantee by Safari to the financial institution including the ongoing flexi-availability fees charged from time to time to Safari by its bankers for providing a facility to Safari of R250 000 000 (two hundred and fifty million Rand) as collateral security for the Capital Guarantee, such fee to be levied at a rate of 0,75% per annum or as adjusted from time to time by Safari’s bankers.
- 4.5.2.6 In the event of default by Southern Palace of payment of capital, the financial institution may recover the outstanding balance of the SP Loan from Safari provided it cedes and transfers its rights relating under the SP Loan Agreement including the pledge of such Southern Palace Subscription Shares (“Pledged Units”) against payment of the outstanding indebtedness. In this event, the number of Pledged Units to be ceded and transferred to Safari will be the higher of the 90 day VWAP calculated backwards from the date of announcing the repurchase or the net asset value per Safari share.
- 4.5.2.7 In the event of default and cession and transfer as set out in paragraph 4.5.2.6 then Southern Palace will be liable to Safari for the difference in the price per Safari Share paid to the financial institution and R7,60.
- 4.5.2.8 Authority to Issue Shares
- 4.6 The voting power of the Shares to be issued pursuant to the Specific Issue will be in excess of 30% (thirty percent) of the voting power of all the issued Safari Shares held by Safari Shareholders prior to the Specific Issue.
- 4.7 Accordingly, it is necessary to obtain the authority of Safari Shareholders by way of a special resolution, as required in terms of section 41(3) of the Companies Act, in order to proceed with the Specific Issue.
- 4.8 In terms of the Companies Act, at least 75% (seventy five percent) of all votes of all Safari Shareholders present or represented by proxy at the General Meeting must be exercised in favour of the special resolution, in terms of section 41(3) of the Companies Act, to authorise the Specific Issue.
- 4.9 The Specific Issue will be in terms of the provisions of specific issues of shares for cash in terms of the JSE Listings Requirements.

5. SHARE CAPITAL

- 5.1 The authorised and issued share capital of the Company prior to the Specific Issue is as follows:

Authorised share capital	
2 000 000 000 ordinary shares of no par value	–
Issued share capital	
191 257 646 ordinary shares of no par value	1 187 361
Stated capital	1 187 361

The authorised and maximum issued share capital of the Company subsequent to the Specific Issue will be as follows:

Authorised share capital	
2 000 000 000 ordinary shares of no par value	–
Issued share capital	
290 810 279 ordinary shares of no par value	1 935 514
Stated capital	1 935 514

- 5.2 The Company does not hold any Shares in treasury.
- 5.3 The Shares to be issued in terms of the Specific Issue will be of a class already in issue.

6. BUSINESS AND PROSPECTS OF SAFARI

6.1 Business of Safari

- 6.1.1 The Company focuses on investing into quality income-generating properties including vacant land with development potential, as well as new property ventures under development in both South Africa and internationally.

6.2 Prospects of Safari

- 6.2.1 Safari is listed as a Real Estate Investment Trust ("REIT") on the JSE and specialises in quality investments in southern Africa. Safari's short-term strategy remains to be the continual improvement of our existing portfolio through selective re-development and upgrades, unlocking value-added services (such as fuel stations, day-hospitals etc.) to these assets and the completion of our pipeline developments.
- 6.2.2 The capital raised with this process will enable Safari to settle most of its existing debt facility, resulting in a lower gearing ratio and a saving on the interest on existing debt and furthermore to provide access to additional sources of capital in order to support continued expansions into existing and new markets as well as fund Safari's current development pipeline. As a result of this transaction Safari will be in a position to preserve its future cash reserves which may be used for organic growth or acquisition purposes.
- 6.2.3 Subsequent to this capital raising Safari's net asset value will exceed R2 billion which will enhance the liquidity and tradability of ordinary Safari Shares on the JSE because of greater spread of diversity of investors and the expansion of its share capital which in itself will lead to an increase in analyst research coverage to support fair market value for ordinary Safari Shares as well as enhance Safari's public profile in the southern African markets.
- 6.2.4 A mixture of debt and new equity is financing Safari's new projects. Safari manages the debt portion of the Company's financing strategy by utilising its existing bond facility. As Safari is not immune to the ever-changing and challenging market conditions, the Company will explore opportunities for investments in other sectors and countries.

7. PRO FORMA FINANCIAL INFORMATION

- 7.1 **Annexure 1** of this Circular contains the *pro forma* financial information of Safari post the Specific Issue and the Independent Reporting Accountant's report on the *pro forma* financial information of Safari is contained in **Annexure 2**.
- 7.2 The *pro forma* financial effects of the Specific Issue, as set out below, have been prepared in terms of the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants. These *pro forma* financial effects are the responsibility of the Directors.
- 7.3 The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Safari has been prepared and in terms of Safari's accounting policies as at 30 September 2016. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Safari's financial position, changes in equity or results of operations or cash flows post the implementation of the Specific Issue.

	Reviewed Interim 30 September 2016	Adjustments for the Specific Issue	Pro forma after the Specific Issue	Change (%)
Earnings per share (cents)	16,1	(13,8)	2,3	(86)
Diluted earnings per share (cents)	15,8	(13,5)	2,3	(85)
Headline earnings per share (cents)	16,1	(13,8)	2,3	(86)
Diluted headline earnings per share (cents)	15,8	(13,5)	2,3	(85)
Net asset value per share (cents)	837,3	(29,8)	807,5	(4)
Tangible net asset value per share (cents)	837,3	(29,8)	807,5	(4)
Number of shares in issue (thousand) (excluding Treasury shares)	186 870 651	99 552 633	286 423 284	53
Weighted average number of shares in issue (thousand) (excluding Treasury shares)	183 101 788	103 321 496	286 423 284	56

Notes and assumptions:

1. The "unadjusted financial information" column is extracted from Safari Investments (RSA) Limited's condensed consolidated reviewed interim financial results for the six months ended 30 September 2016.
2. The "Pro forma adjustments" column represents the Specific Issue, assuming that 99 552 633 new Safari Shares are issued. The effect of the Specific Issue is based on the terms as set out in this Circular whereby a total of R748 002 236 be used for the repayment of interest bearing liabilities. It is assumed that once-off transaction costs of R8,6 million will be paid and set off against the Subscription. The "Pro forma adjustments" column represents the interest reduction assuming an interest rate of 9,45% (prime lending rate less 1,05%). In terms of the Share Subscription agreement with WDBH, Safari will be entitled to interest income which will accrue at an interest rate of 11% (prime lending rate plus 0,5%).
The Southern Palace agreement will attract a once-off IFRS 2 expense charge of R54 million based on the conditions of the agreement. An IFRS 2 charge was recorded as Safari guarantees a capital portion as well as any potential interest shortfall (in instances where distributions fail to cover the interest payable) on the loan from the financier to the subscriber. All Shares subscribed to are pledged to the financier. In the event of potential default of payment by the subscriber, Safari will pay the relevant guarantees at which stage the pledged Shares are ceded to Safari. The interplay between the acquisition price of the Shares and the possible market price of the Shares at date of potential default resulted in the IFRS 2 charge. The financial model is based on a total debt amount of R501 600 000 that will be settled on maturity. It is assumed that the grant date of 30 April 2017 has a spot price of R7,25 and strike price of R7,60 is used.
4. There are no other post-balance sheet events which necessitate adjustment to the pro forma financial information.
5. All the adjustments are of a continuing nature except for once-off transaction and IFRS 2 costs.
6. The detailed notes are set out in Annexure 1 of this Circular.

8. GENERAL MEETING

- 8.1 A General Meeting of the Safari Shareholders will be held at 10:00 on Friday, 7 July 2017 at Menlyn Boutique Hotel, 209 Tugela Road, Ashlea Gardens, Pretoria 0081 for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions necessary to give effect to the Specific Issue and the matters incidental thereto. The resolutions to be put to Safari Shareholders for their approval are set out in the notice of General Meeting of Safari Shareholders attached to, and forming part of, this Circular.
- 8.2 Details of the action required to be taken by Safari Shareholders in respect of the General Meeting are set out on page 2 of this Circular.

9. DIRECTORS

9.1 The full names, ages, business addresses and capacities of the Directors of Safari are set out below:

Name	Age	Designation	Business address
Francois Jakobus Joubert Marais	76	Chief Executive Officer	420 Friesland Lane, Lynnwood, Pretoria, 0081
Willem Linstrom Venter	33	Chief Financial Officer	342 The Rand Street, Lynnwood, Pretoria, 0081
Kyriacos Pashiou	62	Executive Director	214B Argo Place, Waterkloof Ridge, Pretoria, 0181
Dr Jacobus Phillipus Snyman	64	Independent Non-executive Chairman	30 4th Avenue, Rustenburg, 0300
Faith Nondumiso Khanyile	49	Independent Non-executive Director	28 Fricker Road, Illovo, Johannesburg, 2196
Stephanus Johannes Kruger	57	Non-executive alternate Director	3 5th Avenue, Cashan, Rustenburg, 0300
Dr Mark Minnaar	49	Independent Non-executive Director	1286 Park Street, Hatfield, Pretoria, 0083
Allan Edward Wentzel	77	Lead Independent Non-executive Director	4 Gremlin Road, Bryanston, Johannesburg, 2191

9.2 All Directors are South African citizens.

9.3 As at the Last Practicable Date, Safari Investments Namibia Proprietary Limited was the only subsidiary of Safari.

9.4 The remuneration of the Directors will not be varied as a consequence of the Specific Issue.

9.5 Directors' and associates interest in Safari are set out below:

Director	Direct beneficial	Indirect beneficial	Total number of Shares	Total % before	Total % after
FJJ Marais	–	8 603 448	8 603 448	4,50	2,96
WL Venter	700	–	700	0,0004	0,0002
K Pashiou	–	9 815 511	9 815 511	5,13	3,38
JP Snyman	–	1 065 567	1 065 567	0,56	0,37
FN Khanyile	–	–	–	0,00	0,00
SJ Kruger	–	1 622 260	1 622 260	0,85	0,56
M Minnaar	359 086	874 293	1 233 379	0,64	0,42
AE Wentzel	–	–	–	0,00	0,00
Total	359 786	21 981 079	22 340 865	11,68	7,69

9.6 Directors' interests will not change as a result of the Specific Issue.

9.7 No Director of Safari or any Director who has resigned in the last 18 months, has or had any material beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Safari and which was effected by Safari during the current financial year, or in any previous financial year, which remains in any respect outstanding or unperformed.

10. EXPENSES RELATING TO THE SPECIFIC ISSUE

10.1 The estimated costs of preparing and distributing this Circular, convening the General Meeting and implementing the Specific Issue, including the fees payable to professional advisors, are approximately R8,6 million, excluding VAT, are payable in cash and include the following:

Description	Recipient	Amount (Rand)
Arranger	Dea-Ru	7 524 000
Corporate advisor	PSG Capital	125 000
Sponsor	PSG Capital	200 000
Reporting Accountants	Deloitte & Touche	270 000
Listing fees	JSE	225 357
Documentation fee	JSE	18 421
Printing costs, publication, distribution and advertising	Purple Frog	25 000
Transfer secretarial fees	Computershare Investor Services	50 000
Legal advisor	VFV Attorneys	50 000
Contingency		110 000
Total		8 597 778

10.2 Other than as set out above, Safari has not incurred any preliminary expenses in relation to a transaction during the 3 (three) years preceding the date of this Circular.

11. DIRECTORS' RECOMMENDATION

11.1 The Board is of the opinion that the Specific Issue is beneficial to the Company and recommends that Safari Shareholders vote in favour of the resolutions to be proposed at the General Meeting.

11.2 The Directors intend to vote the Safari Shares held by them in favour of the resolutions to be proposed at the General Meeting.

12. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have, during the 12 (twelve) months preceding the date of this Circular, had a material effect on the financial position of the Group. Safari is not aware of any proceedings that would have a material effect on the financial position of the Group or which are pending or threatened against the Group.

13. MATERIAL CONTRACTS

No material contracts or restrictive funding arrangements have been entered into by Safari or its subsidiaries, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Circular or entered into at any time and containing any obligation or settlement that is material to the Company at the date of this Circular.

14. ADVISORS' CONSENTS

The parties referred to in the Corporate information and advisors section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 12 this Circular, collectively and individually accept full responsibility for the accuracy of the information furnished relating to Safari and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by law and the JSE Listings Requirements.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Safari Shareholders during normal business hours at the registered office of Safari and at the offices of PSG Capital from Wednesday, 7 June 2017 until Friday, 7 July 2017 (both days inclusive):

- 16.1 The agreements relating to the Safari Hold Subscription, the Stanlib Subscription, the Southern Palace Subscription, the Grindrod Subscription and the WDBH Subscription;
- 16.2 The audited financial statements of Safari for the financial years ended 31 March 2014, 31 March 2015 and 31 March 2016 as well as the condensed consolidated interim financial results for the six months ended 30 September 2016;
- 16.3 The Reporting Accountant's report on the *pro forma* financial information; and
- 16.4 A signed copy of this Circular.

Signed at Pretoria by Dirk Engelbrecht on behalf of all the Directors of Safari Investments RSA Limited in terms of powers of attorney signed by such Directors.



Dirk Engelbrecht
Company Secretary

7 June 2017

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial information set out below is the responsibility of the Directors of Safari and is prepared for illustrative purposes only to illustrate the financial effects of the private share placement.

Due to the nature and timing of the *pro forma* financial information, it may not fairly present the financial position of Safari, its changes in equity or the results of its operations or cash flows after the private share placement.

An Independent Reporting Accountant's assurance report on the *pro forma* financial information is included in Annexure 2.

The *pro forma* financial information has been compiled using accounting policies that are consistent with IFRS and those applied in the condensed consolidated reviewed interim financial results for the six months ended 30 September 2016.

The *pro forma* financial information has been prepared in accordance with the Listings Requirements and the revised Guide on *Pro Forma* Financial Information issued by SAICA.

Notes:

1. The "unadjusted financial information" column is extracted from Safari Investments (RSA) Limited's condensed consolidated reviewed interim financial results for the six months ended 30 September 2016.
2. The *pro forma* statement of financial position was prepared on the assumption that the private share placement was implemented on 1 April 2016.
3. The "Pro forma adjustments" column represents the private placement, assuming that 66 000 000 new Safari Investments (RSA) Limited Shares are issued.
The effect of the private placement is based on the assumption that Shares will be issued as follows: 66 000 000 Shares at an issue price of R7,60.
It is assumed that the private placement will raise a total of R495 899 967 of which is assumed that the total proceeds will be used for the repayment of interest bearing liabilities.
It is assumed that once-off transaction costs of R5 700 033 will be paid and set off against the capital raised.
The Southern Palace agreement will attract a once-off IFRS 2 expense charge based on the conditions in the agreement. The IFRS 2 expense of R54 million will be recorded directly in Other Capital Reserves because it is a once-off expense and not deemed to be an ongoing expense for the period. The financial model is based on a total debt amount of R501 600 000 that will be settled on maturity. It is assumed that the grant date of 30 April 2017 has a spot price of R7,25 and strike price of R7,60 is used.
The volatility of the share price during the period preceding the option pricing model valuation had an impact on the calculated IFRS 2 charge.
4. The "Pro forma adjustments" column represents the private placement, assuming that 5 263 158 new Safari Investments (RSA) Limited Shares are issued.
The effect of the private placement is based on the assumption that Shares will be issued as follows: 5 263 158 Shares at an estimated issue price of R7,60.
It is assumed that the private placement will raise a total of R39 545 453 of which it is assumed that the total proceeds will be used for the repayment of interest bearing liabilities.
It is assumed that once-off transaction costs of R454 548 will be paid and set off against the capital raised.
5. The "Pro forma adjustments" column represents the private placement, assuming that 21 052 632 new Safari Investments (RSA) Limited Shares are issued.
The effect of the private placement is based on the assumption that Shares will be issued as follows: 21 052 632 Shares at an estimated issue price of R7,60.
It is assumed that the private placement will raise a total of R158 181 811 of which it is assumed that the total proceeds will be used for the repayment of interest bearing liabilities.
It is assumed that once-off transaction costs of R1 818 192 will be paid and set off against the capital raised.
6. The "Pro forma adjustments" column represents the private placement, assuming that 6 578 948 new Safari Investments (RSA) Limited Shares are issued.
The effect of the private placement is based on the assumption that Shares will be issued as follows: 6 578 948 Shares at an estimated issue price of R7,60.
It is assumed that the private placement will raise a total of R49 431 820 of which it is assumed that the total proceeds will be used for the repayment of interest bearing liabilities.
It is assumed that once-off transaction costs of R568 185 will be paid and set off against the capital raised.
R50 000 005 of the private placement will be vendor financed which attracts additional interest assuming an interest rate of 9,45% (Prime lending rate less 1,05%). Safari Investments (RSA) Limited will be entitled to interest income as per the vendor finance agreement which will accrue at an interest rate of 11% (prime lending rate plus 0,5%).
7. The "Pro forma adjustments" column represents the private placement, assuming that 657 895 new Safari Investments (RSA) Limited Shares are issued.
The effect of the private placement is based on the assumption that Shares will be issued as follows: 657 895 shares at an estimated issue price of R7,60.
8. It is assumed that the private placement will raise a total of R4 943 186 of which is assumed that the total proceeds will be used for the repayment of interest bearing liabilities.
It is assumed that once-off transaction costs of R56 819 will be paid and set off against the capital raised.
9. There are no other post-balance sheet events which necessitate adjustment to the *pro forma* financial information.
10. Repayment of loan is capped to unadjusted column amount.

Pro forma consolidated statement of financial position

	Southern Palace (Note 3)		Stanlib (Note 4)		Grindrod (Note 5)		WDBH (Note 6)		Safari Hold (Note 7)		Summary	
	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments
	R	R	R	R	R	R	R	R	R	R	R	R
Assets												
Non-current assets												
Investment property	2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	- 2 239 904 834	50 000 005
Fair value of investment property	2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	- 2 212 487 134	-
Operating lease asset	2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	- 2 243 481 278	-
Intangible assets	(30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	- (30 994 144)	-
Other financial assets	8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	- 8 524	-
Operating lease asset	-	-	-	-	-	-	-	-	-	-	-	50 000 005
Current assets	27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	- 27 409 176	-
Inventories	200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	- 200 826 380	-
Trade and other receivables	142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	- 142 076 658	-
Operating lease asset	50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	- 50 495 900	-
Current tax receivable	3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	- 3 584 968	-
Cash and cash equivalents	1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	- 1 638 130	-
	3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	- 3 030 724	-
Total assets	2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	50 000 005
Equity and liabilities												
Equity	1 564 737 962	495 899 967	2 060 637 929	39 545 453	1 604 283 415	158 181 811	1 722 919 773	49 431 820	1 614 169 782	4 943 186	1 569 681 148	748 002 237
Stated capital	1 154 019 212	495 899 967	1 649 919 179	39 545 453	1 193 564 665	158 181 811	1 312 201 023	49 431 820	1 203 451 032	4 943 186	1 158 962 998	748 002 237
Other capital reserves	-	53 545 613	53 545 613	-	-	-	-	-	-	-	-	53 545 613
Retained income	410 718 750	(53 545 613)	357 173 137	-	410 718 750	-	410 718 750	-	410 718 750	-	410 718 750	(53 545 613)
Liabilities												
Non-current liabilities	861 928 171	(495 899 967)	366 028 204	(39 545 453)	822 382 718	(158 181 811)	703 746 360	568 185	862 496 356	(4 943 186)	856 984 985	(698 002 232)
Interest bearing borrowings	842 250 339	(495 899 967)	346 350 372	(39 545 453)	802 704 886	(158 181 811)	684 068 528	568 185	842 818 524	(4 943 186)	837 307 153	(698 002 232)
Deferred tax	19 677 832	-	19 677 832	-	19 677 832	-	19 677 832	-	19 677 832	-	19 677 832	-
Current liabilities	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-
Trade and other payables	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-	14 065 081	-
Interest bearing borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	875 993 252	(495 899 967)	380 093 285	(39 545 453)	836 447 799	(158 181 811)	717 811 441	568 185	876 561 437	(4 943 186)	871 050 066	(698 002 232)
Total equity and liabilities	2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	- 2 440 731 214	50 000 005
Net asset value per share (cents)	837,3	(22,4)	814,9	(2,3)	835,0	(8,7)	828,6	(2,9)	834,4	(0,3)	837,0	(29,8)
Tangible net asset value per share (cents)	837,3	(22,4)	814,9	(2,3)	835,0	(8,7)	828,6	(2,9)	834,4	(0,3)	837,0	(29,8)
Number of shares in issue	186 870 651	66 000 000	252 870 651	5 263 158	192 133 809	21 052 632	207 923 283	6 578 948	193 449 599	657 895	187 528 546	99 552 633
												286 423 284

Pro forma consolidated statement of profit or loss and other comprehensive income

	Southern Palace		Stanlib		Grindrod		WDBH (Note 7)		Safari Hold		Summary	
	Pro forma adjustments Specific issue	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments	Pro forma adjustments	Pro forma financial information after adjustments
Unadjusted financial information ¹	R	R	R	R	R	R	R	R	R	R	R	R
Revenue	91 933 111	91 933 111	-	91 933 111	-	91 933 111	-	91 933 111	-	91 933 111	-	91 933 111
Property revenue	94 833 041	94 833 041	-	94 833 041	-	94 833 041	-	94 833 041	-	94 833 041	-	94 833 041
Operating lease	(2 899 930)	(2 899 930)	-	(2 899 930)	-	(2 899 930)	-	(2 899 930)	-	(2 899 930)	-	(2 899 930)
Other income	2 546 384	2 546 384	-	2 546 384	-	2 546 384	-	2 546 384	-	2 546 384	-	2 546 384
Other expenses	-	(53 545 613)	(53 545 613)	(53 545 613)	-	(53 545 613)	-	(53 545 613)	-	(53 545 613)	-	(53 545 613)
Operating expenses	(29 920 458)	(1 859 625)	(31 780 083)	(30 068 753)	(593 182)	(30 513 640)	(185 369)	(30 105 827)	(18 537)	(29 938 995)	(2 805 008)	(32 725 466)
Operating profit	64 559 037	(55 405 238)	9 153 799	64 410 742	(593 182)	63 965 855	2 813 797	64 373 668	(18 537)	64 540 500	(56 350 621)	8 208 416
Interest income	101 190	101 190	-	101 190	-	101 190	-	2 914 987	-	101 190	2 813 797	2 914 987
Fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Gross fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Operating lease	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	(33 909 376)	23 431 273	(10 478 103)	1 868 523	7 474 091	(26 435 285)	(2 362 500)	(36 271 876)	233 566	(33 675 810)	30 644 953	(3 264 423)
Profit before taxation	30 750 851	(31 973 965)	(1 223 114)	1 720 228	6 880 909	37 631 760	265 928	31 016 779	215 029	30 965 880	(22 891 871)	7 858 980
Taxation	(1 199 868)	-	(1 199 868)	-	-	(1 199 868)	-	(1 199 868)	-	(1 199 868)	-	(1 199 868)
Profit for the year	29 550 983	(31 973 965)	(2 422 982)	1 720 228	6 880 909	36 431 892	265 928	29 816 911	215 029	29 766 012	(22 891 871)	6 659 112
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	29 550 983	(31 973 965)	(2 422 982)	1 720 228	6 880 909	36 431 892	265 928	29 816 911	215 029	29 766 012	(22 891 871)	6 659 112
Headline earnings reconciliation	29 550 983	(31 973 965)	(2 422 982)	1 720 228	6 880 909	36 431 892	265 928	29 816 911	215 029	29 766 012	(22 891 871)	6 659 112
Gains and losses from adjustment to the fair value of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Headline earnings	29 550 983	(31 973 965)	(2 422 982)	1 720 228	6 880 909	36 431 892	265 928	29 816 911	215 029	29 766 012	(22 891 871)	6 659 112
Earnings per share (cents)												
Earnings per share	16,1	(17,1)	(1,0)	0,2	1,4	17,5	(0,7)	15,4	(0,2)	15,9	(13,8)	2,3
Diluted earnings per share	15,8	(16,8)	(1,0)	0,5	1,7	17,5	(0,4)	15,4	0,1	15,9	(13,5)	2,3
Headline earnings per share	16,1	(17,1)	(1,0)	0,2	1,4	17,5	(0,7)	15,4	(0,2)	15,9	(13,8)	2,3
Diluted headline earnings per share	15,8	(16,8)	(1,0)	0,5	1,7	17,5	(0,4)	15,4	0,1	15,9	(13,5)	2,3
Ordinary shares in issue	186 870 651,0	66 000 000	252 870 651,0	5 263 158	21 052 632	207 923 283,0	6 578 948	193 449 599,0	657 895	187 528 546,0	99 552 633	286 423 284
Weighted average number of shares in issue	183 101 788,0	69 768 863	252 870 651,0	9 032 021	24 821 495	207 923 283,0	10 347 811	193 449 599,0	4 426 758	187 528 546,0	103 321 496	286 423 284

Notes:

1. The "unadjusted financial information" column is extracted from Safari Investments (RSA) Limited's condensed consolidated reviewed interim financial results for the six months ended 30 September 2016.
2. The pro forma statement of profit or loss and other comprehensive income was prepared on the assumption that the private share placement was implemented on 1 April 2016.
3. The "Pro forma adjustments" column represents the interest reduction assuming an interest rate of 9,45% (prime lending rate less 1,05%). It is assumed that all capital proceeds of the issue are applied to the repayment of interest bearing liabilities.
4. The other expenses relates to the Southern Palace agreement that will attract a once-off IFRS 2 expense charge based on the conditions in the agreement. The IFRS 2 expense will be recorded directly in Other Capital Reserves because it is a once-off expense and not deemed to be an ongoing expense for the period. The financial model is based on a total debt amount of R501 600 000 that will be settled on maturity. It is assumed that the grant date of 30 April 2017 has a spot price of R7,25 and strike price of R7,60 is used.
5. The additional interest income, interest saving and interest expense will have no tax impact due to the REIT distribution deduction allowed as per Safari Investments (RSA) REIT status.
6. The repayment of the loan will incur a flexi-availability fee at 0,75% on the prepaid balance which is shown as operating expenses. This flexi-availability fee is a recurring cost.
7. R50 000 005 of the private placement will be vendor financed which attracts additional interest assuming an interest rate of 9,45% (prime lending rate less 1,05%). Safari Investments (RSA) Limited will be entitled to interest income as per the vendor finance agreement which will accrue at an interest rate of 11% (prime lending rate plus 0,5%).
8. All the adjustments are of a continuing nature except for once-off transaction and IFRS 2 costs.

REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Directors
Safari Investments RSA Limited
420 Friesland Lane
Lynnwood
Pretoria
0081

Dear Sirs/Madam

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Safari Investments RSA Limited ("the company") by the directors. The *pro forma* financial information, as set out in paragraph 7 and Annexure 1 of the circular ("the circular"), to be dated on or about 7 June 2017, consists of *pro forma* consolidated statement of financial position, *pro forma* consolidated statement of profit or loss and other comprehensive income and the related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 1 of the circular, on the company's financial position as at 30 September 2016, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 April 2016, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 30 September 2016, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's reviewed interim financial statements for the period ended 30 September 2016, on which an unmodified reviewed auditor's report was issued on 17 November 2016.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 7 and Annexure 1 of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

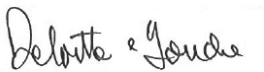
Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 8 and Annexure 1 of the circular.



Deloitte & Touche

Registered Auditor

Per: BG Joubert

Partner

2 June 2017

Riverwalk Office Park
Block B
41 Matroosberg Road
Ashlea Gardens
Pretoria
0081

SHARE TRADING HISTORY OF SAFARI

Set out in the table below are the aggregate volumes and values and the highest and lowest prices traded in Safari Shares in respect of:

- each month over the 12 months prior to the Last Practicable Date; and
- each day over the 30 days preceding the Last Practicable Date.

	High (cents)	Low (cents)	Volume	Value (cents)
Monthly				
2017-05-31	725	680	136 649	94 855 540
2017/04/28	725	600	235 100	159 655 700
2017/03/31	720	660	1 863 721	1 321 662 000
2017/02/28	725	660	2 166 005	1 537 928 000
2017/01/31	720	652	924 086	664 690 300
2016/12/30	725	600	1 135 503	813 781 100
2016/11/30	775	710	655 429	480 683 300
2016/10/31	760	705	648 549	478 265 000
2016/09/30	760	681	738 079	532 366 600
2016/08/31	800	703	577 807	423 197 500
2016/07/29	800	730	253 707	198 308 000
2016/06/30	780	715	526 314	397 784 300
Daily				
2017-05-31	725	704	27 410	19 686 420
2017/05/30	700	700	2 682	1 877 400
2017/05/29	700	700	2 200	1 540 000
2017/05/26	700	700	759	531 300
2017/05/25	700	700	–	–
2017/05/24	704	700	11 715	8 220 500
2017/05/23	690	690	–	–
2017/05/22	691	690	4 108	2 835 165
2017/05/19	690	690	11 000	7 590 000
2017/05/18	690	690	1 055	727 950
2017/05/17	700	700	1 102	771 400
2017/05/16	700	685	2 000	1 397 750
2017/05/15	704	688	13 150	9 054 400
2017/05/12	688	688	1 000	688 000
2017/05/11	690	690	3 947	2 723 430
2017/05/10	690	690	9 211	6 355 590
2017/05/09	690	690	2 874	1 983 060
2017/05/08	690	681	2 331	1 601 568
2017/05/05	680	680	38 962	26 494 160
2017/05/04	682	682	103	70 246
2017/05/03	680	680	1 040	707 200
2017/05/02	725	725	–	–
2017/04/28	725	725	–	–
2017/04/26	725	725	–	–
2017/04/25	725	681	5 367	3 874 927
2017/04/24	700	700	20 850	14 595 000
2017/04/21	725	700	7 000	4 950 000
2017/04/20	725	725	–	–
2017/04/19	725	680	27 889	19 779 970
2017/04/18	720	680	16 652	11 700 340

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